



Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM

MCO Transmittal No. 205

March 25, 2024

TO: Managed Care Organizations

FROM: Sandra E. Kick, Director *Sandra E. Kick*
Medical Benefits Management

RE: Updated Pharmacy Copayment Requirements for HealthChoice
Managed Care Organizations, Effective May 1, 2024

NOTE: **Please ensure that the appropriate staff members in your organization are informed of the content of this transmittal.**

The purpose of this transmittal is to provide updated guidance to Medicaid managed care organizations (MCOs) about the imposition of pharmacy copayments and cost sharing for individuals in the Maryland HealthChoice Program (HealthChoice) to comply with the Mental Health Parity and Addiction Equity Act of 2008. This transmittal supersedes MCO Transmittal No. 176 (PT 64-23) dated June 23, 2023.

Beginning on May 1, 2024, HealthChoice MCOs are required to charge the following:

Copayment Charge	New and Refill Drug Type
\$3.00	Non-preferred brand name drugs
\$1.00	All generic drugs (preferred and non-preferred)
\$1.00	Preferred brand name drugs
\$1.00	HIV/AIDS drugs

With the exceptions of the populations and drugs identified later in this transmittal, MCOs must mirror the fee-for-service pricing structure for the new copayments.

MCOs may determine which drugs are preferred and non-preferred, including creating tier lists. If using tier lists, public-facing formularies must include the tier for each drug that is covered, according to 42 CFR 438.10(i). However, MCOs should exercise caution in using participant copayments as a cost savings lever for prescribers to select lower priced drugs. Copayments have a direct impact on HealthChoice participants' access to medication rather than provider prescribing practices. Other mechanisms MCOs could use to ensure providers are delivering cost-effective care include developing preferred drug lists and implementing prior authorization for drugs with higher costs.

Please note that individuals under the age of 21, pregnant individuals, individuals in long-term care facilities, and Native Americans are not required to pay copayments for prescription drugs in HealthChoice because of other federal and state statutory requirements. Copayments also do not apply to family planning drugs and adult vaccines and their administration, provided that the vaccine is approved by the FDA for use by adults and is administered in accordance with recommendations of the Advisory Committee on Immunization Practices (ACIP). COVID-19 prescription drugs and vaccinations temporarily have copayments waived until further federal guidance is issued.

Additionally, in alignment with Medicaid fee-for-service regulations (COMAR 10.09.03.03.O), pharmacy providers are not permitted to deny prescriptions to any Medicaid participant who is unable to pay the copayments.

MCOs are responsible for educating providers and HealthChoice participants about drug copayment requirements and their organization's policies 30 days before the effective date of the change. It is not necessary to send members new cards with the copayments identified. In accordance with the National Council for Prescription Drug Program standards, pharmacy copayment amounts should not be present on the pharmacy identification card.

For questions related to this transmittal, please contact Monchel Pridget, Deputy Director, Managed Care Administration, at monchel.pridget@maryland.gov.